

FINANCE DEPARTMENT

Impact Analysis Report

OVERVIEW

The Finance Department is responsible for collecting, accounting, and monitoring the City's tax revenues and depositing certain fees collected by other City departments.

It is estimated that the proposed Finance Department fees and charges program for 2004-2005, excluding penalties and non-cost recovery fees, will bring revenues to the City of \$62,789, reflecting a 100% cost recovery rate.

Late payment charges related to the Garbage Lien Program and Garbage Lien Service fees are not subject to cost recovery restrictions and are anticipated to generate approximately \$1.13 million, all of which will accrue in the Integrated Waste Management (IWM) Fund. Although the charges are based on the cost of providing service, a significant portion of revenues in any given year reflects costs incurred in the prior year.

SUMMARY AND IMPACT OF PROPOSED FEE REVISIONS

For 2004-2005, the following minor changes are proposed in the Finance Department's fee structure to maintain cost-recovery levels.

Christmas Tree/Pumpkin Lot Licenses – Revised from \$67 to \$69 per lot license to maintain 100% cost-recovery level for services.

Circus and Carnival (Circus Permit) – Remains at \$250 for the first day, however the fee for each additional day is revised from \$167 to \$175 per day to maintain 100% cost-recovery level for services.

Handbill Distributors (Owner's Permit) – Revised from \$20 to \$22 per year to maintain 100% cost-recovery level for services.

Exempt Business Tax Applications – Revised from \$16 to \$17 per account to maintain 100% cost-recovery level for services.

Solid Waste Delinquencies (Administrative Charges for Collection Procedure) – Revised from \$51 to \$53 per lien to offset increases in administrative processing costs.

Solid Waste Delinquencies (Special Assessment Charge) – Revised from \$5.50 to \$5.00 per parcel to offset decreases in administrative processing costs.

NOTIFICATION

General public notice of proposed fee revisions will be provided through published Council hearing dates and a minimum of ten days for public review of the 2004-2005 Proposed Fees and Charges Report.

DEPARTMENTAL FEES & CHARGES
FINANCE DEPARTMENT

Service	Adopted 2003-2004 Fee	Council Policy Cost Recovery Category	Adopted % Cost Recovery	Proposed 2004-2005 Fee	2004-2005 Estimated Cost	Estimated 2004-2005 Revenue		% Cost Recovery	
						Current Fee	Proposed Fee	Current Fee	Prop'd Fee
1. SALES		Category I	100.0%		621	603	621	97.1%	100.0%
a. Christmas Tree/Pumpkin License									
• Lot	\$67			\$69					
• Deposit (Refundable)	\$100 per lot			No Change					
2. CIRCUS/CARNIVAL/PARADE		Category I	100.0%		3,500	3,340	3,500	95.4%	100.0%
a. Circus and Carnival									
• Circus Advertising	\$100 bond for removal within 48 hours of last performance			No Change					
• Circus Permit	\$250 1st day; \$167 ea add'l day			\$250 1st day; \$175 ea add'l day					
• Circus Sideshow Permit	\$12.50 each per day			No Change					
• Circus Permit (Charitable)	\$100 1st day; \$50 ea add'l day			" "					
• Circus Parade (Circus outside of City limits)	\$250 per day			" "					
• Carnival Permit	\$250 1st week; \$25 ea add'l day			" "					
• Carnival (Charitable)	\$100 1st week; \$10 ea add'l day			" "					
• Circus or Carnival Permit- Sanitary Standards Bond	\$1,000 bond			" "					
3. HANDBILL DISTRIBUTORS		Category I	100.0%		25,016	24,072	25,016	96.2%	100.0%
a. Handbill Distributors									
• Handbill Distributor's License	\$30 per year			No Change					
• Owner's Permit	\$20 per year			\$22 per year					
• Comm'l Distributor's Permit	\$1 per distribution			No Change					
4. COMPUTERIZED SEARCH FEE*	\$6 per search	Category I	100.0%	No Change	0	0	0	100.0%	100.0%
5. SALE OF PUBLICATIONS*		Category I	100.0%		0	0	0	100.0%	100.0%
a. Comp. Annual Financial Report	Actual printing plus mailing costs			No Change					
b. Single Audit (Grants)	" " " " "			" "					
c. Monthly Investment Report	" " " " "			" "					
6. BUSINESS TAX SPECIAL REPORTS		Category I	100.0%		585	585	585	100.0%	100.0%
a. Computer Printout	\$39 up to 25 pp., \$1 ea add'l pg.			No Change					
b. Diskette/E-mail	\$39 per diskette/transmission			" "					

* No revenue estimated since requests for this service are expected to be minimal, if any.

DEPARTMENTAL FEES & CHARGES
FINANCE DEPARTMENT

Service	Adopted 2003-2004 Fee	Council Policy Cost Recovery Category	Adopted % Cost Recovery	Proposed 2004-2005 Fee	2004-2005 Estimated Cost	Estimated 2004-2005 Revenue		% Cost Recovery	
						Current Fee	Proposed Fee	Current Fee	Prop'd Fee
7. RETURNED CHECK FEE	\$37 per returned check	Category I	100.0%	No Change	23,717	23,717	23,717	100.0%	100.0%
8. EXEMPT BUSINESS TAX	\$16 per account	Category I	100.0%	\$17 per account	9,350	8,800	9,350	94.1%	100.0%
SUBTOTAL			100.0%		62,789	61,117	62,789	97.3%	100.0%

INTEGRATED WASTE MANAGEMENT FUND (423) - LATE CHARGES									
9. SOLID WASTE DELINQUENCIES		Category II	100.0%						
a. Administrative charges for collection procedure*	\$51 per lien			\$53 per lien	469,050	451,350	469,050	96.2%	100.0%
b. Late Payment Charge†	\$5 or 5% of the bill, whichever is greater	Category II	N/A	No Change	N/A	710,500	710,500	N/A	N/A
c. Notice of Intent to Lien	\$15			" "	276,840	276,840	276,840	100.0%	100.0%
d. Special Assessment Charge	\$5.50 per parcel			\$5.00 per parcel	21,000	23,100	21,000	110.0%	100.0%
e. Returned Check Fee	\$37 per returned check			No Change	8,769	8,769	8,769	100.0%	100.0%
SUBTOTAL			100.0%		775,659	1,470,559	1,486,159	98.0%	100.0%

TOTAL DEPARTMENT - GENERAL FUND	62,789	61,117	62,789	97.3%	100.0%
TOTAL DEPARTMENT - NON-GENERAL FUND	775,659	1,470,559	1,486,159	98.0%	100.0%
TOTAL DEPARTMENT - CATEGORY I	62,789	61,117	62,789	97.3%	100.0%
TOTAL DEPARTMENT - CATEGORY II	775,659	1,470,559	1,486,159	98.0%	100.0%
TOTAL DEPARTMENT	838,448	1,531,676	1,548,948	97.9%	100.0%

* This fee is set at a cost recovery level based on the expected cost of processing liens and the estimated number of liens to be processed within the coming fiscal year. Revenue in a particular year for the fee is not directly related to those costs in the same year because revenue is recognized on a cash basis. As a result, revenue from liens recorded in previous years may be recognized in future years, which may cause the fee to appear to be in excess of cost recovery.

† The late payment charge is set at a level to encourage customers to submit payments by the due date.

NOTE: The notice of intent to lien charge and the special assessment charge are not penalties.